



DEPARTMENT OF
LABOR & INDUSTRY
COMMONWEALTH OF PENNSYLVANIA

DEPUTY SECRETARY
WORKFORCE DEVELOPMENT
1719 LABOR AND INDUSTRY BUILDING
SEVENTH AND FORSTER STREETS
HARRISBURG, PA 17120

717-705-2630

Fax: 717-772-1461

www.dli.state.pa.us

Dulich

December 14, 2004

Ms. Lenita Jacobs-Simmons
Regional Administrator
U. S. Department of Labor
Employment and Training Administration
Suite 825 East
The Curtis Center
170 South Independence Mall West
Philadelphia, PA 19106-3315

Dear Ms. Jacobs-Simmons:

Enclosed are Pennsylvania's requests for two WIA youth program waivers. One of the waivers (allowing ITAs for out-of-school youth) has been approved in other states. The second (youth eligibility) seeks to broaden eligibility for youth to include at-risk youth and reinstates the Free Meals under the National School Lunch Act as a stand-alone eligibility criterion (which was previously allowed under JTPA). This has been the most requested waiver by Pennsylvania's Local Workforce Investment Areas.

The first is a waiver of the statutory and regulatory prohibition of using Individual Training Accounts (ITAs) for older youth. The Workforce Investment Act at Sec. 129 does not provide for the use of ITAs for youth. The WIA Final Regulations at Sec. 664.510 specifically prohibits the use of youth funds to support the use of ITAs for older youth. The waiver would also broaden the selection of training providers beyond those that are competitively selected under the Workforce Investment Act, Section 123.

This waiver would increase local flexibility to manage limited resources, which is consistent with one of the seven key principles of the Workforce Investment Act. The option to allow the use of youth funds to support ITAs for older youth (which is not allowed even under dual enrollment), and thus be able to retain adult funds for adult services, greatly enhances local flexibility.

The second is a request to waive family income criteria for youth eligibility. Currently, the regulation allows that if the family of a disabled youth does not meet the income eligibility criteria, the disabled youth may be considered a low income individual if the youth's own income meets the income criteria established in WIA section 101(25)(B), or meets the income eligibility criteria for cash payments under any Federal, State or local public assistance program. This waiver requests that this statement be broadened beyond disabled youth, to include youth who are at-risk, or youth who meet eligibility requirements for Free Meals under the National School Lunch Act during the most recent school year.

This waiver will allow Youth Councils to serve youth most in need by making the youth eligible based on his or her own merits. Often, youth with multiple barriers cannot be served

because the family income is too high, or because the income cannot be verified. Local Youth Councils hear from service providers that youth from families over the poverty level need as many services as those whose families fall within the low-income level.

Although we had originally posted for public comment a third request, to waive the competitive procurement of youth services, we are currently reconsidering and reevaluating this request.

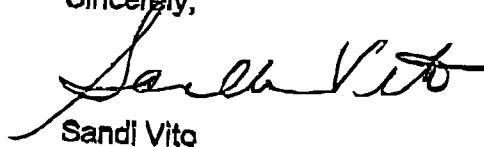
Because of the increased flexibility and improvement to local operations that approval of these waiver requests would provide, the Commonwealth would begin implementation of the requested changes on January 3, 2005.

I hope you will consider the enclosed requests and recognize their inherent value to the improvement of the Commonwealth's workforce investment system, and that the requests are consistent with the principles of the Workforce Investment Act of 1998.

If you have any questions or need additional information concerning this plan, please contact Penny Reiter, Supervisor, Planning Coordination Services, Bureau of Workforce Development Partnership, by phone at (717) 772-1951 or by e-mail at preiter@state.pa.us.

Thank you for your consideration of these waiver requests.

Sincerely,



Sandi Vito

Enclosure

WIA Waiver Request

Statutory/Regulatory Provision:		Allow ITAs for Older Youth					
Citation: Statute:		Sec. 122, Sec 123, Sec 129(c)(2)&(3)(A)(ii)		Citation: Regulation:		§664.510	
Entity:	Pennsylvania Department of Labor & Industry						
Contact:	Sandi Vito		Phone:	717-705-2630		Fax:	717-787-8826
Address:	7 th and Forster Sts.		City:	Harrisburg		State:	PA Zip: 17120
Duration:	From:	1/3/2005		To:	6/30/2005		
Governor:	Edward G. Rendell						

Justification (Narrative 1)

Pennsylvania requests a waiver of the statutory exclusion and regulatory prohibition of using Individual Training Accounts (ITAs) for older youth. Pennsylvania's Department of Labor & Industry (DLI), the administrative entity for the Workforce Investment Act (WIA) in the Commonwealth, requests this waiver in response to feedback from state agencies and local workforce investment areas, and in consideration of precedents set by approval of similar waivers requested by Indiana, Kentucky, Georgia and Texas.

The WIA statute at Section 129 does not provide youth access to ITAs. The WIA Final Regulations at Sec. 664.510 specifically prohibits the use of youth funds to support ITAs for older youth with youth funding.

Under WIA, the focus of youth programs has changed from the provision of short-term, stand alone programs to providing year-round, long-term services designed to assist both in-school and out-of-school youth make the transition to post-secondary training and careers. We believe the intent of this regulation is viable; however, we do not feel that contracted year-round youth programs are the best and only training vehicle for certain individuals within Pennsylvania's older youth population. Older youth continue to be one of the most difficult populations to serve because their interest lies in obtaining self sufficient, full-time employment rather than being involved in a typical structured setting that youth contracts provide. Utilization of service elements through year-round contracting too often results in delaying older youths' access to training, and subsequent employment. In addition, the real-life informed decision-making involved in using ITAs and the Eligible Training Program Provider (ETPP) list would provide these older youth with the experience of responsibility that is so necessary as an adult.

Local Workforce Investment Areas currently have the option to dual-enroll eligible individuals in youth and adult services, which allows older youth to access ITAs. Such dual enrollment solely for

the purpose of allowing older youth access to ITAs, however, restricts local flexibility to manage limited resources. The option to allow Older Youth to access ITAs and the ETPP process using Youth funds and consequently, retain adult funds to provide adult services, enhances local flexibility, which is one of the seven key principles of the WIA. The option for dual enrollment into youth and adult services would still be an option if the Local Workforce Investment Area determines it to be, based on available resources and the needs of the individual.

WIA requires local areas make available a menu of ten program elements, specified at 20 CFR 664.410, to eligible youth. We believe the intent of this regulation is practical for successful outcomes for older youth. We will, through the local plan process, require the local workforce investment areas to outline a plan of action to ensure compliance with this regulation for persons receiving payment of training services through an Individual Training Account. This waiver is not being requested to circumvent the older youth requirements of WIA, but to bring service delivery for youth closer to the intent of the Act, and to serve customers efficiently according to their individual needs.

The use of ITAs for older youth would be implemented by the Commonwealth upon USDOL's approval of this waiver request.

Outcomes/Benefits----- (Narrative 2)

Goals to be Achieved by the Waiver:

- Ensures the local areas have the flexibility to design and deliver programs based on the needs of their customers, rather than restrictions based solely on age.
- Reduces the paperwork and tracking processes requirement in dual enrollment (Older Youth and Adult) as is now necessary for an older youth to access occupational skills training through the Adult Individual Training Account (ITA) and Eligible Training Program Provider (ETPP) process.
- Offers Youth the real-life learning experience of making an informed decision that has direct impact on his/her life. Using the ITA/ETPP process with older youth offers case managers the opportunity to discuss the process of decision-making (training provider, finances, etc) and the results that ensue.
- Provides for and promotes customer choice and brings market forces into play.
- Maximizes local flexibility based on youth customers' assessed needs in terms of training that leads to self-sufficiency in demand occupations.
- Provides older youth more choice by opening up the Adult ETPP.

Description of the Individuals Impacted by the Waiver: The waiver can positively impact all older WIA eligible youth. These customers will receive the type of services that most closely and quickly meet their needs without unnecessary paperwork and tracking.

Monitoring/Evaluation Process----- (Narrative 3)

Description of the Process to Monitor Progress: The Pennsylvania Department of Labor and Industry is the State administrative entity for the Workforce Investment Act. The waiver enables Pennsylvania the flexibility to design seamless delivery of services and to customize the education and training

programs for youth. With an emphasis on furthering customer satisfaction through choice, individual opportunity, and continuity of services, each local workforce investment area can ensure an efficient and quality delivery system. The Pennsylvania Department of Labor & Industry will monitor the implementation and impact of the waiver, through a combination of reporting from the local level, state oversight, and evaluation. Performance measures from the workforce regions will be evaluated quarterly, to determine the impact of the waiver approval. The State will gather information through discussion on the progress of the implementation of the waivers, performance data, and obstacles encountered, if any. To ensure fiscal integrity, there will be both adequate oversight and complete, consistent reporting. The State will review applicable policies and procedures and modify them accordingly.

Other Comments Provided—————(Narrative 4)

Consistent with the general waiver request, the State is adhering to publication requirements to insure the broadest participation possible, including informing appropriate partners and interested parties, such as labor, community based organizations, local workforce boards and the State workforce youth council. A public comment period was provided from October 1, 2004 through October 15, 2004. Letters of support from local workforce investment areas are included with this submission.

WIA Waiver Request

Statutory/Regulatory Provision:		Youth Eligibility					
Citation: Statute:		Section 101 (25)		Citation: Regulation:		§664.250, §664.200	
Entity:	Department of Labor & Industry						
Contact:	Sandi Vito		Phone:	717-705-2630		Fax:	717-787-8826
Address:	7 th and Forster Sts.		City:	Harrisburg		State:	PA Zip: 17120
Duration:	From:	1/3/2005		To:	6/30/2005		
Governor:	Edward G. Rendell						

Justification (Narrative 1)

Currently, the regulation allows that if the family of a disabled youth does not meet the income eligibility criteria, the disabled youth may be considered a low income individual if the youth's own income meets the income criteria established in WIA section 101(25)(B), or meets the income eligibility criteria for cash payments under any Federal, State or local public assistance program.

This waiver requests that this statement be broadened beyond disabled youth, to include youth who are at-risk as defined below as well as those who meet eligibility requirements for Free Meals under the National School Lunch Act during the most recent school year.

Outcomes/Benefits (Narrative 2)

This waiver will allow Youth Councils to serve youth most in need by making the youth eligible based on his or her own merits. Often, youth with multiple barriers cannot be served because the family income is too high, or because the income cannot be verified. Local Youth Councils hear from service providers that youth from families over the poverty level need as many services as those whose families fall with the low-income level. Further, with the implementation of welfare reform, a large portion of families who previously received public funds are now surviving on incomes which exceed the Lower Living Standard Index, but which do not provide for self-sufficiency. The needs of the youth are the same, but the family income status has changed.

Family income has little to do with a youth's ability to benefit from the services that are otherwise available as part of the Youth Council's Local Workforce Investment Act plan of service. What must be dealt with are the barriers that the youth must overcome, which is the very intent of the ten program elements outlined in the Act. It is expected that the youth will be harder to serve than in the past, but that scarce financial and staff resources can be utilized in the direct provision of services, rather than on the labor intensive act of verifying family income.

It would also be beneficial to reinstate the JTPA at-risk definition, as described below, as a stand-alone youth eligibility criterion as well as youth who meet eligibility requirements for Free Meals

under the National School Lunch Act during the most recent school year.

At Risk of Dropping Out of School – Youth who face one or more of the following barriers: expectant of parenting youth; youth offender; substance abuse; two or more years behind their age group in the number of credits attained or in basic skill level; chronic absenteeism; chronic disciplinary problems (student has been placed on probation, suspended or expelled from school during the past two years); homeless or child of migrant workers; Non-English speaking or English as a second language; and student is from an abusive or neglected home life. We would also include any additional barrier as identified by the Local Workforce Investment Board as allowed by Section 129 (C) (5) of the WIA. (Federal Register 11/12/92)

Monitoring/Evaluation Process—————(Narrative 3)

The Pennsylvania Department of Labor & Industry is the State administrative entity for the Workforce Investment Act. The waiver enables Pennsylvania the flexibility to design seamless delivery of services and to customize the education and training programs for youth. With an emphasis on furthering customer satisfaction through choice, individual opportunity, and continuity of services, each local workforce investment area can ensure an efficient and quality delivery system. The Pennsylvania Department of Labor & Industry will monitor the implementation and impact of the waiver, through a combination of reporting from the local level, state oversight, and evaluation. Performance measures from the workforce regions will be evaluated quarterly, to determine the impact of the waiver approval. The State will gather information through discussion on the progress of the implementation of the waivers, performance data, and obstacles encountered, if any. To ensure fiscal integrity, there will be both adequate oversight and complete, consistent reporting. The State will review applicable policies and procedures and modify them accordingly.

Other Comments Provided—————(Narrative 4)

Consistent with the general waiver request, the State is adhering to publication requirements to insure the broadest participation possible, including informing appropriate partners and interested parties, such as labor, community based organizations, local workforce boards and the State workforce youth council. A public comment period was provided from October 1, 2004 through October 15, 2004. Letters of support from local workforce investment areas and other appropriate agencies are included with this submission.

Berks County Workforce Investment Board

Gerald A. Nau
Chairman

Edward J. McCann
Chief Operating Officer

October 5, 2004

Task to Andy

Mr. John C. Vogel
Director
Bureau of Workforce Development Partnership
Labor and Industry Building, 12th Floor
Seventh and Forster Streets
Harrisburg, PA 18120

Dear John:

I have attached our comments on the three waiver requests related to Youth services, which your Department has indicated you intended to submit to United States Department of Labor.

Our comments are separate and specific for each Waiver request to better facilitate your collection and analysis of response. Two of them we support enthusiastically and without any reservation. For one of these, we actually suggest some expansion of the relief requested and a broadening of the waiver request. The third, we do have some reservations about, although even there we see some positive elements.

We are very appreciative of Labor and Industry's attempts to enable more flexibility in the context of comprehensive workforce development services to our emerging workforce.

Thanks for the opportunity to present our views. Please let me know if you need any further information.

Sincerely,


Edward J. McCann, CWDP
Chief Operating Officer

Enclosures

**Berks County Workforce Investment Board
(WIB)**

Comments

Waiver Request: Allow ITAs for Older Youth

We are in complete support of Department of Labor and Industry's Waiver Request and urge its favorable consideration by the United States Department of Labor.

Labor and Industry's position is logical and well argued and there is little we would add to it. Granting the request would not preclude local Boards and Operators from using contracted, comprehensive providers, but it would provide another option for those Older Youth who could best develop career-advancing competitive skills by access to one of the many Eligible Providers already available to Adults and Dislocated Worker populations. Moreover, it would do so without requiring the additional administrative complexity of dual enrollment or the use of what might be for some areas relatively scarce Adult funds.

We also believe that making this service strategy available to locals would provide another incentive to Youth to more fully utilize the other services available through Pennsylvania's one-stop CareerLink system and would contribute to further integrating these young people into the mainstream system appropriate for those who are fully involved in the labor market.

The ITA process, with its exposure to informed customer choice processes, is consistent with the decision making expectations of maturing young people, avoids unnecessary administrative complexities, and can provide appropriate and targeted direction of resources.

**Berks County Workforce Investment Board
(WIB)**

Comments

Waiver Request: Competitive Selection of Youth Service Providers

We would certainly be supportive of the relatively minor extension (probably more an interpretation than extension) of specifically adding case management/service management to the enumeration of other "design framework components" (e.g. intake, assessment and development of individual service strategies) which are excepted from the competitive procurement requirement. Such an extension would also be consistent to the other Waiver Request to allow for the use of Individual Training Accounts (ITAs) for Older Youth.

However, we have some reservations about the wisdom of excepting all programs operated by the local grant recipient or fiscal agent from competitive procurement provisions, even though we are, at the same time, somewhat hesitant to argue against this expanded local Board discretion.

Part of our reluctance to fully support this Waiver is due to the apparent and perhaps unwarranted assumption that Youth programs operated by the grant recipient (or by employees of the grant recipient) are or would be integrated into the CareerLink. That may be the case, but it may not be. These programs may have no connection with the greater CareerLink partnership and/or they may be based in a CareerLink but operate independently on any participation and/or support from other Partners.

If we could see some greater assurance that Youth programs will really be multi-partner CareerLink enterprises and that Local Boards will fully understand their options and have freely exercised them in favor of a non-competitively procured Youth Services operator, we would be less reluctant to give this Waiver request our full support. We do not want to go back to stand alone Title I WIA Youth programs, with "in house" operators designated in perpetuity. Assurance of real CareerLink participation on a multi-partner basis would overcome our reservations.

**Berks County Workforce Investment Board
(WIB)**

Comments

Waiver Request: Youth Eligibility

This proposal is especially welcome since our Board and the Pennsylvania Association of Workforce Investment Boards has, at least since 2001, urged that Workforce Investment Act (WIA) Youth program eligibility should be based on skill-preparation and related deficits, not family income.

If family income is in any sense a proxy for skill deficits it is an inexact one. There is certainly no reason to believe that the fact that a young person's parents may have a family income over some stated limit offers him/her protection from the realities of the labor market. Perhaps nowhere is this more true than in the case of youth at risk of dropping out of school who might be encouraged in retention were it not for the exclusion from beneficial service on the basis of highly irrelevant family income considerations.

We are assuming in our consideration of this proposed Waiver that the additional barriers identified by the Workforce Investment Boards in their plans would be included in the enumeration of these barriers which might be used to establish eligibility. If that was not part of the State's consideration, it should be.

Finally, we would encourage broadening the Waiver Request to include an argument also made by our Board and the Board Association and introduced in the *Into the Future* publication the Association and the County Commissioners Association of PA (CCAP) issued in November of 2002.

We called at that time for a "universal eligibility" similar to that for Adults for a limited range of Youth services comparable to what we think of a "Core Services" for Adults. These services, relatively "low touch" in terms of staff involvement and similarly relatively low cost, would include functions such as career information; instruction in basic workplace readiness, behaviors and expectations; and even basic principles of job search.

Granting this extension would allow for more customer friendly introduction to Youth Services, and more effective identification and assessment of those young people who would benefit from more "intensive" or "training" services. It would also facilitate more broad-based partnerships with the K-12 system where broader inclusiveness is always a desirable element.

Finally, the "universal" service element would enable CareerLinks to more effectively serve young people and to more confidently allocate CareerLink costs to Youth funding streams.

If the "universal" service idea has support, we would be glad to work with the Department, on an expedited basis, to suggest specific language.

We fully support the Waiver request and urge its favorable consideration.

October 15, 2004

Mr. John C. Vogel, Director
Bureau of Workforce Development Partnership
12th Floor
Labor and Industry Building
7th and Forster Streets
Harrisburg, PA 17121

Dear Mr. Vogel,

Please accept the support of the Lancaster Workforce Investment Board in your submission of the youth waiver package. Each of these three issues, youth eligibility, competitive selection of youth providers, and Individual Training Accounts for older youth have been a topics of discussion for our Youth Council and Board since the passage of the Workforce Investment Act. All of these current processes and rules impede our ability to best serve the young people of the Commonwealth. The eligibility rules confound and frustrate our private sector partners, knowing that low income is not a valid indicator of need. The other two issues go more to the ability of our system to provide flexible, customer focused services to youth.

Thank you for the opportunity to comment on, and provide support for these waivers. I look forward to a favorable response from the Department of Labor.

Sincerely,

Scott J. Sheely
Executive Director

submitted electronically